



NEWS RELEASE

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BLM Oil and Gas Lease Sale Nets Over \$12 Million

Santa Fe—The Bureau of Land Management's second quarterly sale of the year, held today, netted \$12,293,788 in revenue from 73 federal leases sold in New Mexico, Texas and Oklahoma. In New Mexico, 65 parcels brought in \$11,551,780 in revenue. The oral auction took place on Wednesday, April 20, 2005, at the Paisano Building, 2968 Rodeo Park Drive West, in Santa Fe.

"All 73 of the parcels offered in today's sale received bids," said Linda Rundell, BLM's New Mexico State Director. "Half of the revenues from the BLM's oil and gas lease sales are returned to the U.S. Treasury and half go to the States where the mineral lease occurs."

New Mexico will receive over \$5.7 million from this sale. In Fiscal Year 2003, New Mexico received over \$375 million as its share of mineral revenues (including royalties from producing leases) from federal public lands in the state. "This is a significant contribution to State programs that benefit all New Mexicans," Rundell added.

The highest bid for a parcel was from the Yates Drilling Co., et. al., of Artesia, NM, who paid \$690 per acre for 1,280 acres for a total of \$883,200 in Eddy County, NM. The highest bid per acre was from Devon Energy Corp. of Oklahoma City who paid \$3,400 per acre for 160 acres, for a total of \$544,000 for a parcel in Eddy County, NM.

The Mineral Leasing Act of 1920 and the 1987 Federal Onshore Oil and Gas Leasing Reform Act authorize leasing of Federal oil and gas resources. The 1987 law requires each BLM state office to conduct oil and gas lease sales on at least a quarterly basis. BLM lease sales are competitive and conducted by oral bidding.

Less than one percent of the acreage managed by BLM experiences surface disturbance from oil and gas activity. To minimize such impacts (the "footprint") on the land, BLM analyzes the potential environmental effects from exploration and development before offering any leases for sale. All leases come with stipulations (requirements) on oil and gas activities to protect the environment; stipulations can also include specific restrictions, such as limits on seasons when drilling can occur and restrictions on surface occupancy by oil and gas operators.

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Once an operator proposes exploration or development on a BLM-issued lease, the Bureau carries out further environmental analysis under the National Environmental Policy Act and determines the site-specific need for various types of impact-limiting or "mitigation" measures. These measures include revegetation, which controls soil erosion and helps curb the spread of weeds; the strategic placement of above-ground structures and machinery, with colors that blend in with the landscape, so as to reduce visual impacts; the establishment of any necessary buffer zones so that oil and gas activity does not adversely affect certain types of wildlife habitat; and the burying of powerlines or pipelines under or adjacent to access roads to protect wildlife and minimize visual impacts.

The BLM carries out its mission under the Federal Land Policy and Management Act, which directs the agency to manage the public lands for multiple uses while protecting natural, historical, and other resources of these lands. Environmentally sound production of domestic energy from fossil and renewable resources is an important part of the BLM's multiple-use mission, and energy from Federally managed sources accounts for more than 30 percent of America's energy production.

Government estimates indicate that Federal lands contain about 68 percent of all undiscovered U.S. oil and 74 percent of undiscovered natural gas. A detailed oil and gas inventory by the Interior and Energy Departments found that Federal lands in five key Western geologic basins – located in Montana, Wyoming, Utah, Colorado, and New Mexico – contain nearly 140 trillion cubic feet of natural gas. That is enough natural gas to supply the 56 million homes now using natural gas for the next 30 years.

The BLM, an agency of the U.S. Department of the Interior, manages more land – 261 million surface acres – than any other Federal agency. Most of this land is in 12 Western states, including Alaska. The Bureau also administers 700 million acres of subsurface mineral estate throughout the nation.

Results of today's lease sale by state are as follows:

NM	65 parcels sold	47,068.19 acres sold	\$ 11,551,780.00*
OK	6 parcels sold	2,337.09 acres sold	\$ 727,222.50*
TX	2 parcels sold	326.75 acres sold	\$ 4,785.50*
Total	73 parcels sold	49,732.03 acres sold	\$ 12,283,788.00*

* Includes bonus bids and fees, including rentals for first year.